

FINANCIAL ANALYSIS DIVISION STAFF REPORT TO THE COMMISSION
January 3, 2007

SUBJECT: Amendment to the 83 Ill. Adm. Code 505, Uniform System of Accounts for Gas Utilities

Capsule Summary:

Staff recommends that the Commission enter an Order authorizing the submission of the first notice of the proposed amendments to 83 Ill. Adm. Code 505, Uniform System of Accounts for Gas Utilities (Part 505) as provided in Attachment A.

This Staff Report summarizes the changes proposed to Part 505.

Background:

The proposed amendments to Part 505 were distributed to all gas utilities operating in Illinois for comment by letter dated September 20, 2006 from Theresa Ebrey. No comments were received from the companies.

Within Subpart A of Part 505, the current Uniform System Of Accounts (USOA) approved by the Illinois Commerce Commission adopts the Federal Energy Regulatory Commission (FERC) USOA codified as 18 CFR 201 as of August 8, 2003. Within Subpart B of Part 505, modifications from the FERC USOA are adopted to conform the Illinois USOA to Illinois regulatory policy. Each Section within Subpart B of Part 505 represents a deviation from the USOA adopted by FERC.

The proposed change to Part 505 adopts the changes FERC approved in its Order No. 634-A (Attachment B) regarding the documentation requirements for entities that participated in cash management programs.

Proposed Revisions:

Adoption of 18 CFR 201 as of June 15, 2006

Adopting 18 CFR 201 as of June 15, 2006 will incorporate the latest revisions by FERC into the Illinois USOA. FERC has entered one order that make changes to the FERC USOA since August 8, 2003: FERC Order No. 634A in Docket Nos. RM02-14-000 and RM02-14-001, which modified certain aspects of the documentation requirements implemented in the Interim Rule for entities that participate in cash management programs and is summarized in Attachment B.

Recommendation:

Staff recommends that the Commission enter an Order authorizing the submission of the first notice of the proposed amendments to 83 Ill. Adm. Code 505 as provided in Attachment A.

Staff recommends that Attachment A serve as the Appendix to an order that will both initiate the rulemaking proceeding and authorize the submission of the first notice of proposed amendments to the Illinois Secretary of State.

Prepared by,

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Attachment A: Proposed Changes to 83 Ill. Adm. Code 505

Attachment B: Changes to the FERC USOA resulting from Order No. 634A

ATTACHMENT A

TITLE 83: PUBLIC UTILITIES CHAPTER I: ILLINOIS COMMERCE COMMISSION SUBCHAPTER d: GAS UTILITIES

PART 505 UNIFORM SYSTEM OF ACCOUNTS FOR GAS UTILITIES

SOURCE: Adopted July 14, 1960, effective January 1, 1962; old rules repealed, new rules adopted and codified at 8 Ill. Reg. 177, effective January 1, 1984; amended at 9 Ill. Reg. 4022, effective April 1, 1985; amended at 9 Ill. Reg. 13083, effective August 15, 1985; amended at 13 Ill. Reg. 10858, effective July 1, 1989; amended at 14 Ill. Reg. 1605, effective January 16, 1990; amended at 18 Ill. Reg. 10701, effective July 1, 1994; amended at 22 Ill. Reg. 9543, effective June 1, 1998; amended at 23 Ill. Reg. 1350, effective February 1, 1999; amended at 28 Ill. Reg. 340, effective December 31, 2003 amended at ___ Ill. Reg. _____, effective _____.

SUBPART A: GENERAL PROVISIONS AND ADOPTION OF CFR PROVISIONS BYREFERENCE

Section 505.10 Adoption of 18 CFR 201 by Reference

The Illinois Commerce Commission adopts 18 CFR 201, as of June 15, 2006 ~~August 8, 2003~~ set forth in Subpart B of this Part. No incorporation in this Part includes any later amendment or edition.

(Source: Amended at ___ Ill. Reg. _____, effective _____)

ATTACHMENT B

Adoption of changes made by Order No. 634-A

Specifically, FERC Order 634-A approved the following:

In part 101, Balance Sheet Accounts, account 146, paragraphs B(1), B(2) and B(4), and C(1) through C(4) are revised to read as follows:

Balance Sheet Accounts

146 Accounts receivable from associated companies.

- B. (1) For each ~~deposits~~ with and each ~~withdrawals~~ from the cash management program: the date of the deposit or withdrawal, the amount of the deposit or withdrawal, and the maturity date, if any, of the deposit, ~~and the interest earning rate on the deposit;~~
(2) For each ~~borrowings~~ from a cash management program: the date of the borrowing, the amount of the borrowing, and the maturity date, if any, of the borrowing, ~~and the interest rate on the borrowing;~~

(4) The daily monthly balance of the cash management program.

- C. (1) The duties and responsibilities of the administrator and ~~the other participants~~ the natural gas companies in the cash management program;
(2) The restrictions on deposits or borrowings by ~~participants~~ natural gas companies in the cash management program;
(3) The interest rate, including the method used to determine the interest earning rates and interest borrowing rates for deposits into and borrowings from the program; and
(4) The method used to allocate interest income and expenses among ~~participants~~ natural gas companies in the program.